

# Exhibit 7

*United States of America ex rel. Ven-A-Care of the Florida Keys, Inc., et al.*  
*v. Dey, Inc., et al.*, Civil Action No. 05-11084-PBS

**Exhibit to the August 28, 2009 Declaration of Sarah L. Reid  
In Support of Defendants' Common Opposition to Plaintiffs'  
Motion for Partial Summary Judgment**

GA Department of Community Health (Jerry Dubberly)

December 15, 2008

Atlanta, GA

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MASSACHUSETTS

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IN RE: PHARMACEUTICAL INDUSTRY )

AVERAGE WHOLESALE PRICE LITIGATION ) MDL No. 1456

-----) Civil Action

THIS DOCUMENT RELATES TO: ) No. 01-12257-PBS

United States of America, ex. rel. ) Hon. Patti Saris

Ven-a-Care of the Florida Keys, )

Inc., v. Abbott Laboratories, Inc.,)

Civil Action No. 06-11337-PBS; and )

United States of America, ex. rel. ) VIDEOTAPED

Ven-a-Care of the Florida Keys, ) DEPOSITION OF

Inc., v. Dey, Inc., et. al., Civil ) THE GEORGIA

Action No. 05-11084-PBS; and United) DEPARTMENT OF

States of America, ex. rel. ) COMMUNITY HEALTH

Ven-a-Care of the Florida Keys, ) by JERRY

Inc., v. Boehringer Ingleheim ) DUBBERLY

Corp. et. al., Civil Action )

No. 07-10248-PBS. ) DECEMBER 15, 2008

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1 time.

2 And I apologize. I was a little  
3 confused when you gave your earlier answer, and I  
4 don't believe I -- I understood what you were  
5 trying to say regarding the reimbursement of  
6 compounded drugs versus admixture drugs.

7 A. Admixtures are not considered to be  
8 compounded drugs, and compounded are reimbursed  
9 using the sum of the average wholesale price of  
10 each individual component.

11 Q. Is that a -- a discounted average  
12 wholesale price or an undiscounted average  
13 wholesale price?

14 A. It's an undiscounted.

15 Q. And why is it that compounded drugs are  
16 reimbursed in that manner?

17 A. Compounded -- well, compounded drugs  
18 are reimbursed in that manner because compounding  
19 takes a pharmacist to actually mix the  
20 medications, calculate the -- calculate the  
21 individual components, weigh the components out,  
22 often doing a process called "geometric dilution"

1 with topical products.

2 It's much more involved than -- than  
3 any of the other dispensing actions, including  
4 simple admixtures.

5 Q. Is there a dispensing fee that goes  
6 along with compounded drugs?

7 A. It's the same dispensing fee as the  
8 normal reimbursement methodology we mentioned  
9 before.

10 Q. So let me see if I understand.

11 The Georgia Medicaid program for  
12 compounded drugs reimburses providers at an  
13 undiscounted AWP level --

14 A. Correct.

15 Q. -- correct?

16 A. Correct.

17 Q. And that would be higher than the  
18 reimbursement level for noncompounded drugs;  
19 correct?

20 A. Correct.

21 Q. And that -- that higher reimbursement  
22 is actually given to the providers on the